



***DRAFT
WORKING PAPERS
Iraq Status***

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Derived from: Multiple Sources



Highlights

CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

CPA Intermediate Objectives:

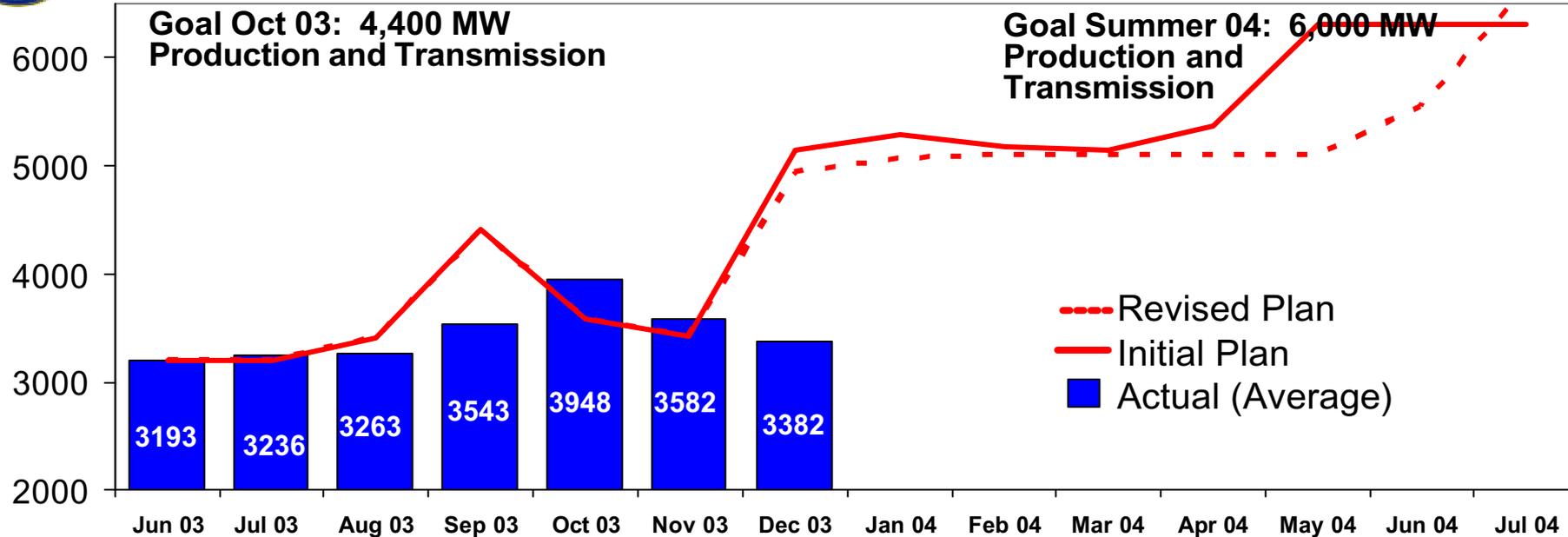
- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Assist drafting of “Fundamental Law”
- Build financial market structures
- Increase professionalism of TV staff

Weekly Highlights:

- 22 Dec: Minister of Communications signed cellular phone system licenses
- CPA authorized Hazardous Duty Pay for all members of Iraqi Security Forces
- New Iraqi Dinar (NID) has appreciated by 14% since November, at \$1 = NID 1,675
- Award of \$100M contract to run national Iraqi newspaper and television delayed until after Jan 04

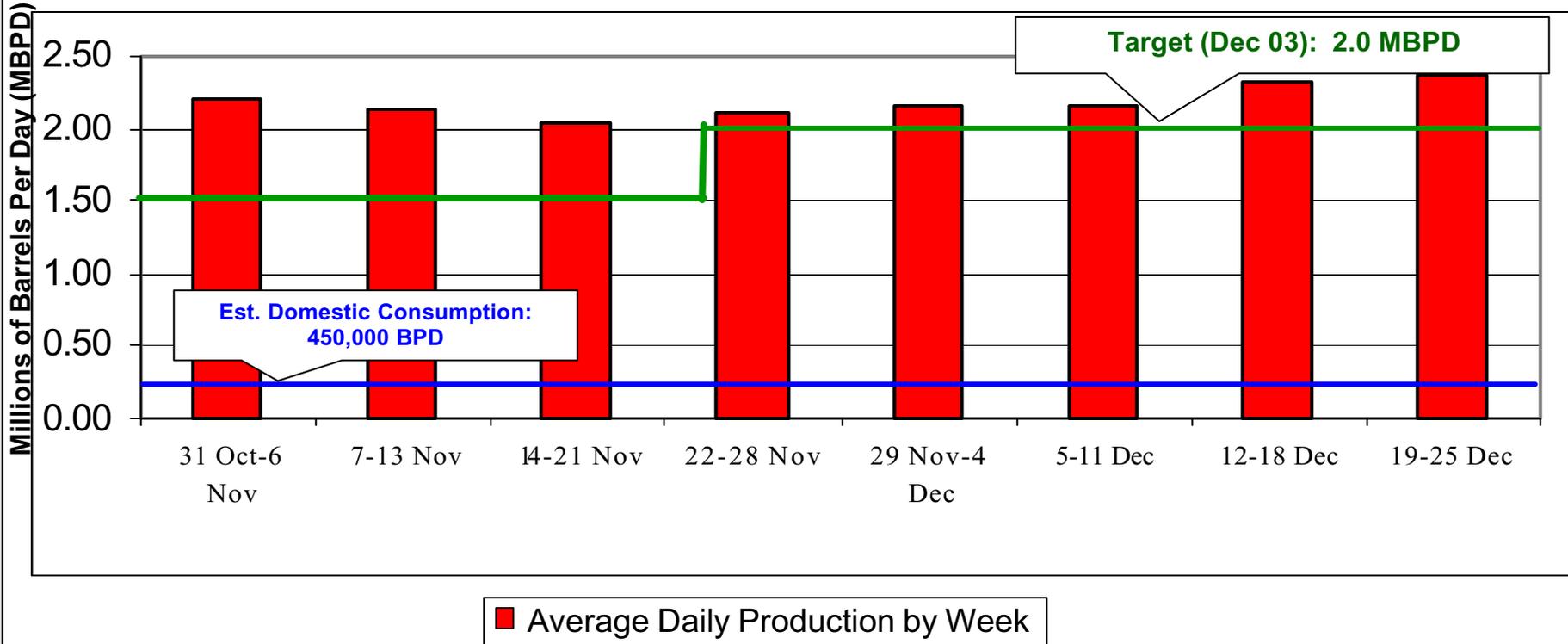


Iraqi Electricity Overview



- Autumn Maintenance Program began 13 Oct and continues through Dec; Spring Maintenance Program dates are Feb – May 04 based on CPA ME plan.
- Decline in production due to unscheduled generator outages and downed transmission lines due to sabotage and bad weather.
- 23 Dec: Sabotage disrupted the Baghdad East – Kirkuk 400KV transmission line that connects North and Central Iraq.

Crude Oil Production



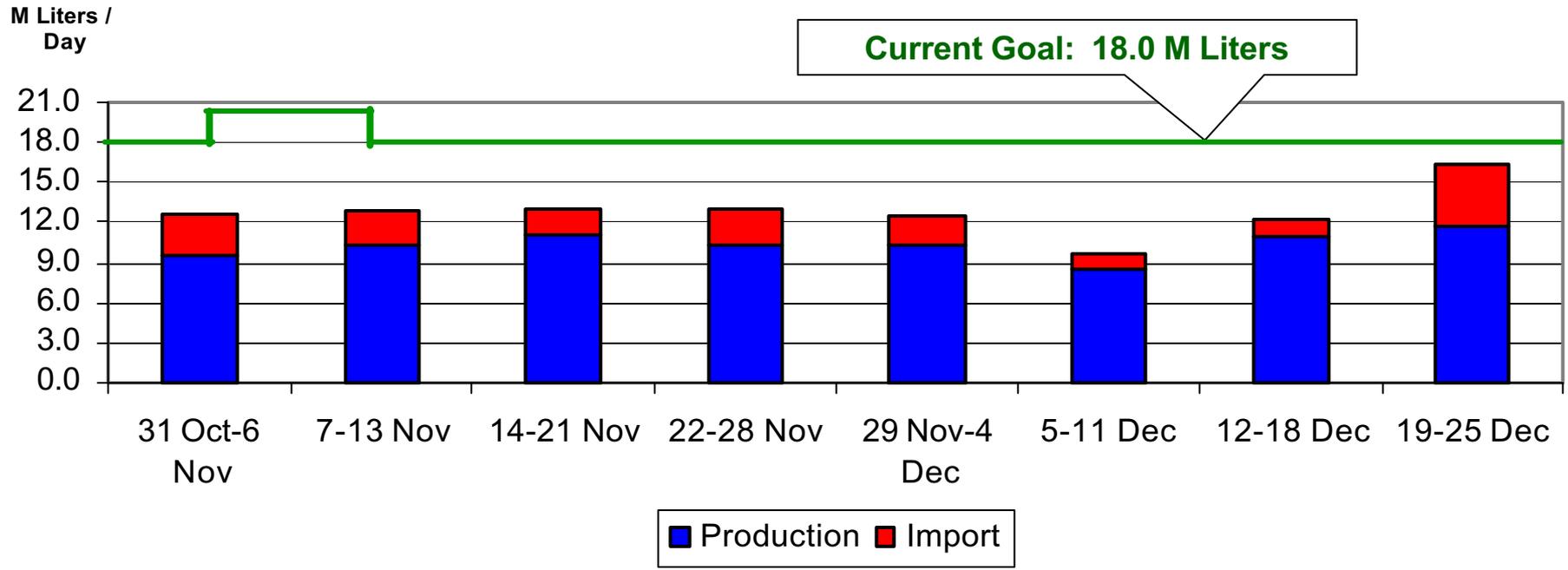
Weekly Average of 2.355 MBPD Exceeds Target of 2.0 MBPD

- Long Term Target (Dec 04): 2.8-3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar
- Post-war Peak: 2.389 MBPD on 22 Dec
- Weekly average of crude exports: 1.5 MBPD



Diesel Production

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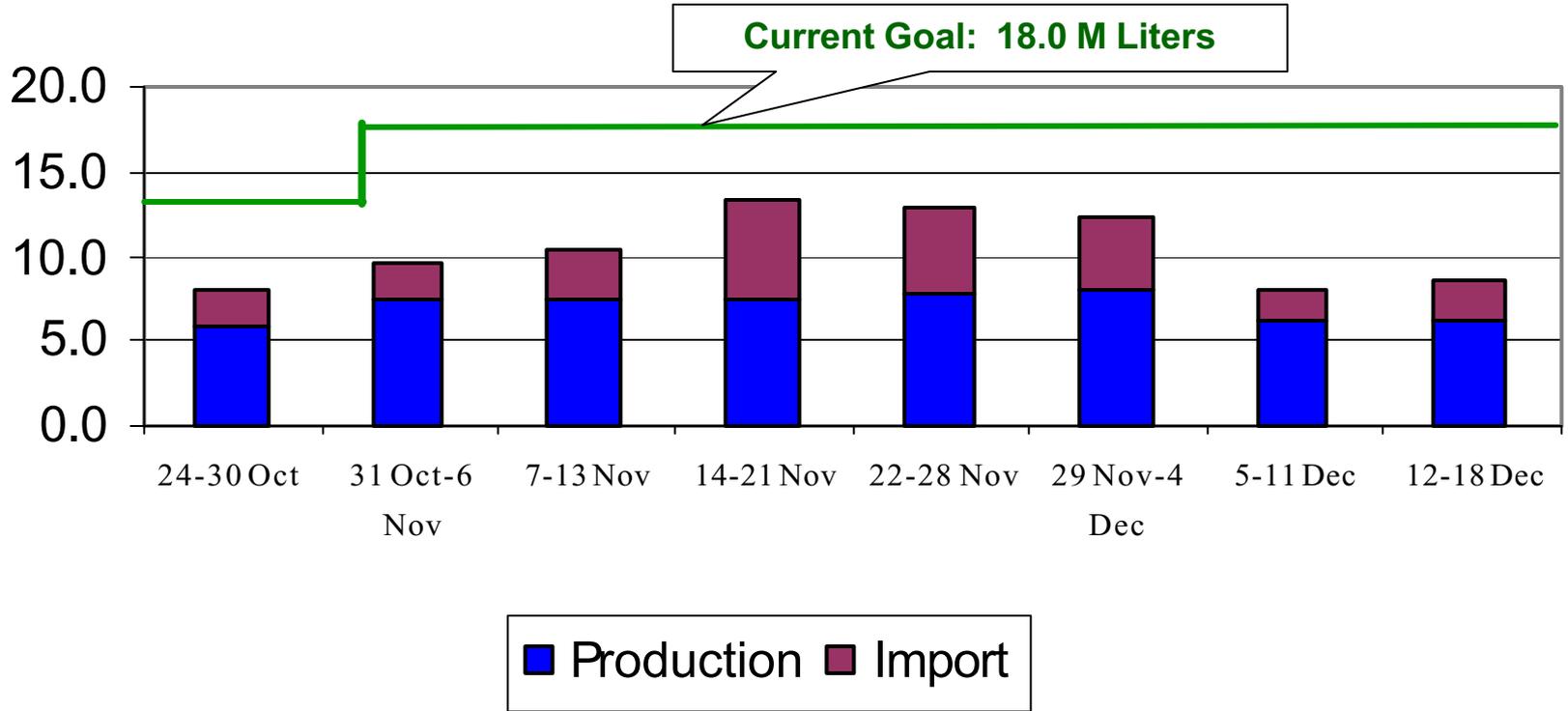
• This week's production is 92% of goal



Kerosene Production

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M Liters / Day

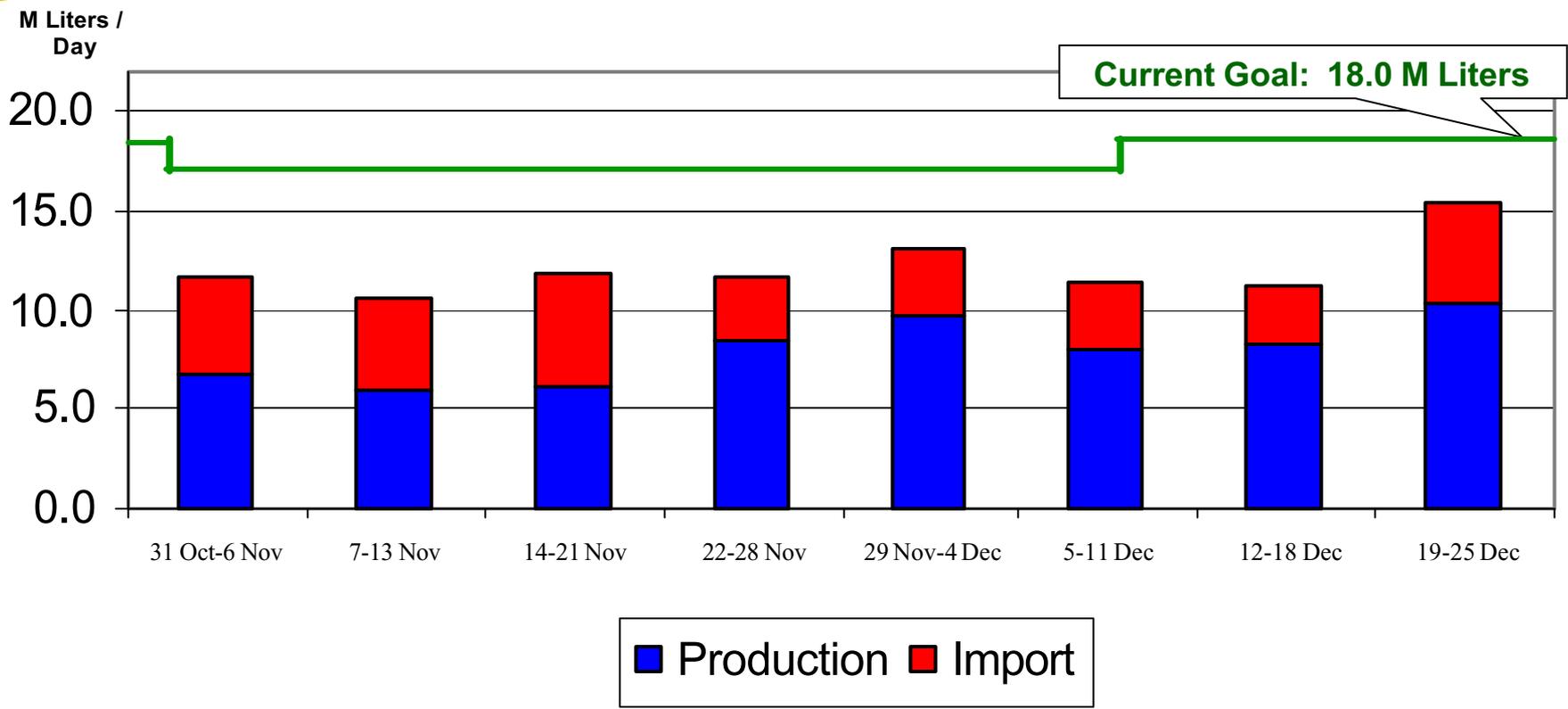


- This week's production is 47% of goal



Gasoline / Benzene Production

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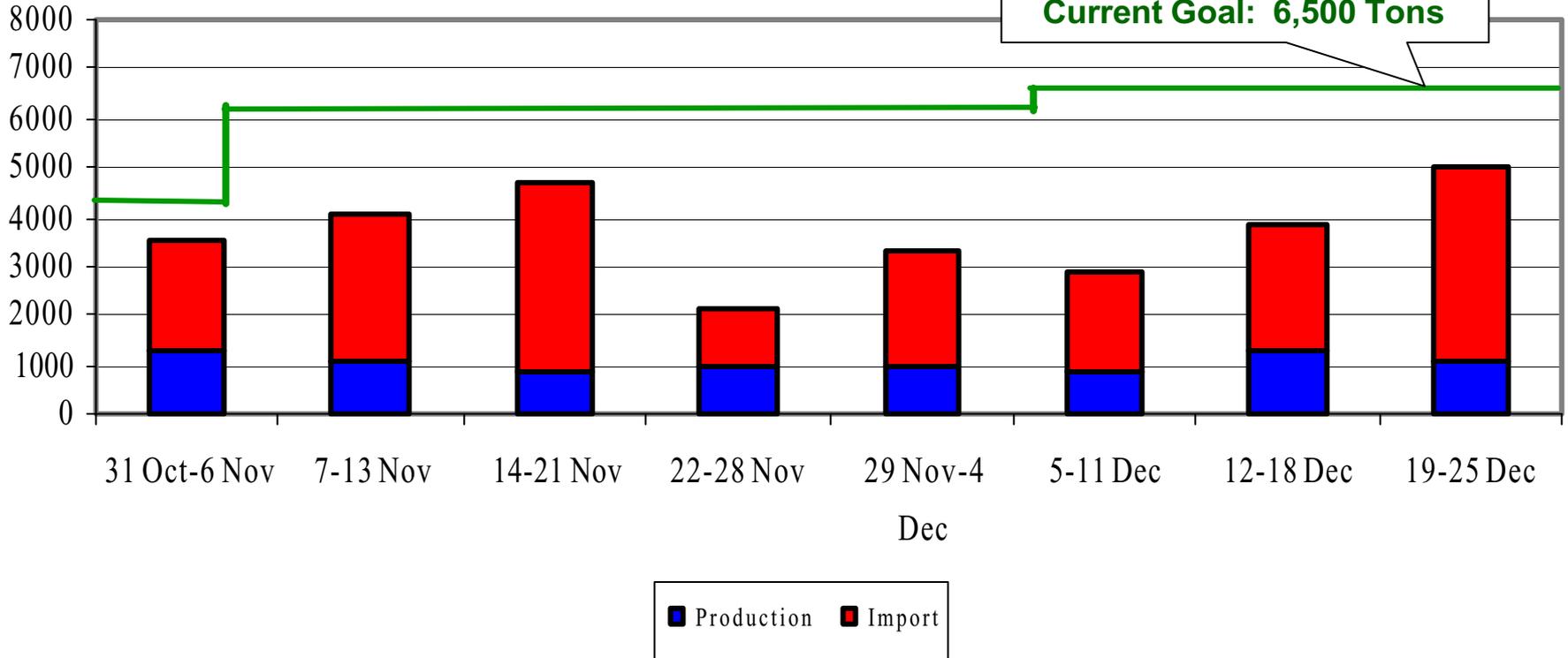
• This week's production is 86% of goal



Liquefied Petroleum Gas Production

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Tons / Day



Current Goal: 6,500 Tons

• This week's production and imports are 61% of goal

Essential Services - Education



Milestones:

- 72 million new textbooks will be distributed before end of school year
- 64,000 or more secondary teachers and 5,000 school principals and administrators will be trained in modern teaching methods

Current Activities:

- Continue to build technical capacity of Minister of Education (MOE) : re-established Education Management Information System (EMIS)
- Training at Governorate levels continues from Nov 03 - Jan 04 for 33,000 secondary school teachers and 3,000 administration staff
- Rehabilitated 1,993 out of 11,939 schools damaged in some way
- 349 Grants worth \$5.2M were awarded for the rehabilitation of schools and director general offices throughout the country
- Representatives from US universities participating in the Iraq-US university partnership traveled to Iraq to meet with their counterparts
- MOE baseline school statistics: Gender Distribution

School Type	Male Student %	Female Student %
Primary	55.53%	44.47%
Secondary	59.72%	40.28%

Essential Services - Healthcare



Milestones:

- **Dec 03:** Ministry of Health (MOH) assumes all pharmaceutical procurement activities
- **Apr 04:** Electronic health surveillance program initiated
- **Jun 04:** Model health care clinics established emphasizing prevention and disease management
- **End 04:** 90% of all children receive routine immunizations
- **End 05:** Infant mortality rate reduced by half to 50 / 1,000

Current Activities:

- **Iraqi Ministry of Health/USAID working groups completed a two-month analysis of critical health needs (covers public health, education and training, licensing and legislation)**
 - Report will be the basis for a National Strategic Health Plan, outlining future health sector reform

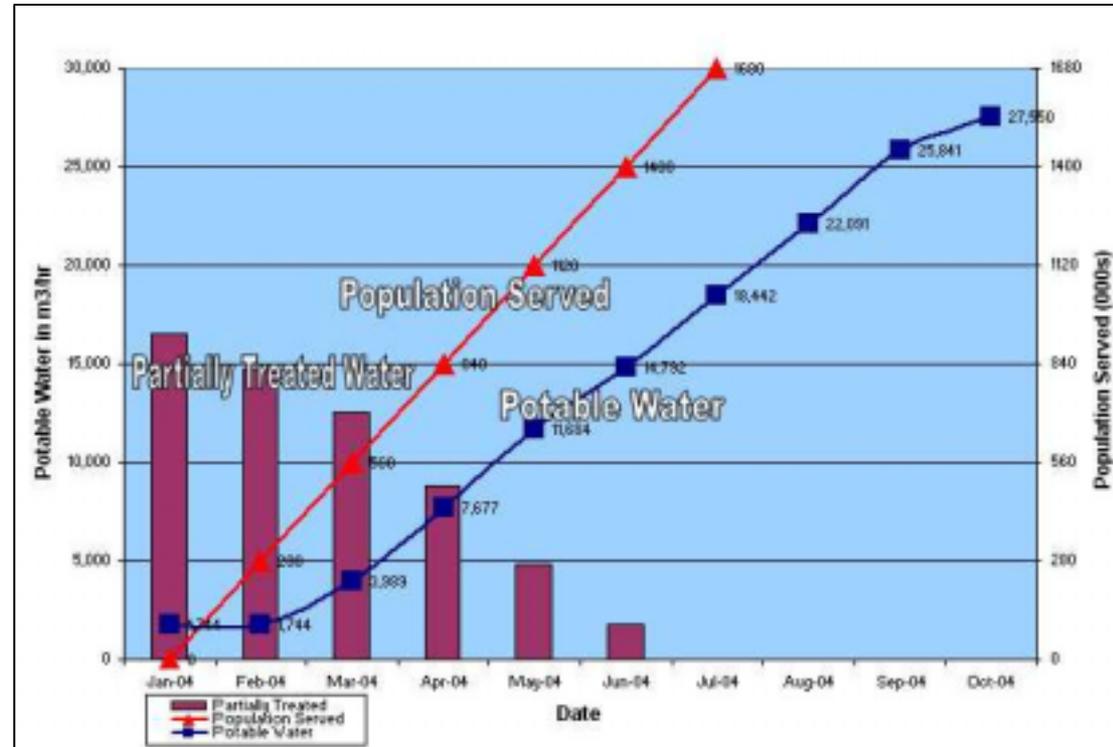
Facts about the New Iraqi Healthcare system:

- **Iraq at pre-war capabilities for providing health care -- 240 Iraqi hospitals and more than 1,200 primary health clinics are operating**
- **MOH has 100,000 healthcare professionals / staff (over 80% women)**

Essential Services - Water



Projected schedule for Basrah water treatment plants



- Estimate 60% of population has access to limited supplies of potable water
- Supplemental budget funds projects to be completed within 3 years
- By summer 04, wastewater flowing to Baghdad's three main sewage plants will be treated, serving 3.5M Iraqis
 - Prewar: untreated
- By summer 04, quality and volume of fully treated water for Basra will surpass pre-war supply of only partially treated water
 - Prewar: Partially treated

Water & Sewage Milestones

- Potable water access (90% Iraqis; Apr 05)
- Sewage service (11% Iraqis; Mar 05)
- Reduce water loss (60% to 40%; Mar 04)



Essential Services - Telecommunications

- **22 Dec: Minister of Communications signed cellular licenses**
- **Three companies will open cellular communications network early in 2004**
 - **Contracts awarded to companies from Egypt and Kuwait**
- **42 cell sites are up in Baghdad in anticipation of license issue**
 - **100,000 subscribers anticipated by end of Dec**
- **CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad**
- **Baghdad's Al Mamoun telephone exchange officially opened for business on 13 Dec**
 - **Al Mamoun is largest exchange in Iraq, with 30,000 subscribers**
 - **All active Al Mamoun subscribers now able to call each other**
 - **As of 14 Dec, 11,500 subscriber lines connected to the switch**
 - **Ministry of Communications is implementing plan to bring additional workers from outside Baghdad to expand line-splicing workforce and accelerate progress**

Essential Services - Transportation

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Governing Council Hajj policy committee preparing for Hajj in Jan / Feb 04

- Plan for 25 flights carrying up to 5,000 passengers to Jeddah**
- Measures being taken to reduce gas shortages for motorists:**
 - Extending hours of some gas stations**
 - Ended trucking strike, restoring transportation of fuel trucks to Mosul**
 - Stationing security, police, or Coalition forces at selected stations to prevent black marketing and ensure lawful, efficient distribution of benzene**
 - Increasing benzene imports from current and new sources**
- First 2 railway locomotives arrived under reactivated Iraqi-Turkish protocol**
 - Railway will eventually receive 17 more locomotives, 12 power luggage vans, and spare parts from Turkey**
- Anticipated completion date for the repair of the Tikrit Bridge has slipped**

to mid-May due to flooding and need for a new access road
- New perimeter fence at Basrah International Airport is being constructed**

Total Security Forces in Iraq

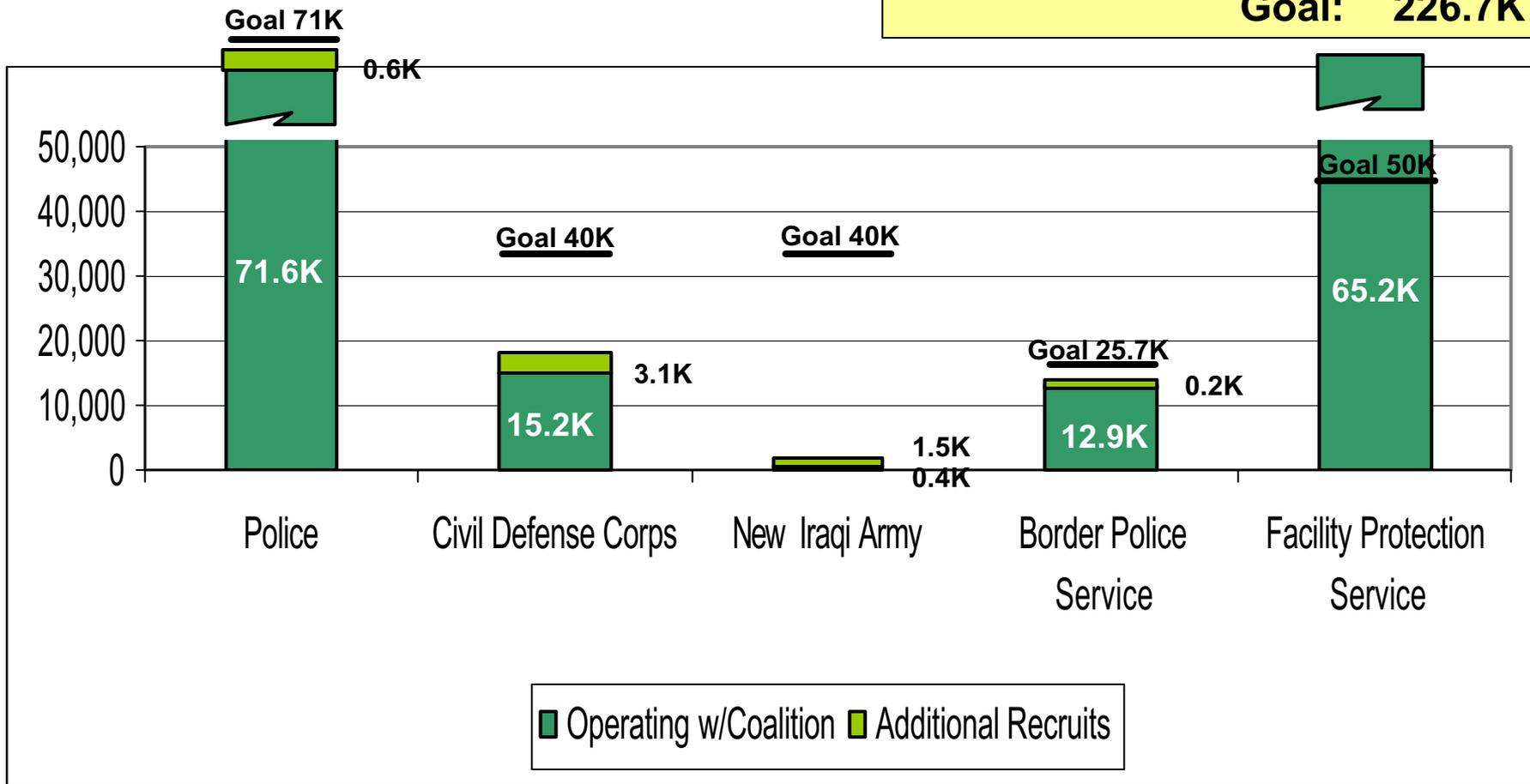
Security Forces (x1000)	31-Oct	7-Nov	14-Nov	20-Nov	27-Nov	4-Dec	11-Dec	18-Dec	25-Dec
Additional Iraqi Recruits *	6.4	6.9	6.5	5.4	2.8	4.5	4.7	4.8	5.4
Other Coalition	25	25	25	25.2	23.9	24.2	24.7	24.5	24.5
Iraqi Coalition Forces	116	131	134	145.5	147.2	159.9	161.6	161.6	165.3
US	131	128	127	126	123	123	123	122	122
Total	272	284	286	297	294	307	309	308	312

* Iraqi Recruits not included in total due to their training status



Iraqi Security Forces

Currently Operating: 165.3K
Currently in Training: 5.4K
Current Total: 170.7K
Goal: 226.7K



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N/P



Stability Contributors

Countries with forces in Iraq

33

Albania
Australia
Azerbaijan
Bulgaria
Czech Rep
Denmark
Dom Rep
El Salvador
Estonia
Georgia
Honduras
Hungary
Italy
Kazakhstan
Korea
Latvia

TOTAL ~24,000

Lithuania
Macedonia
Moldova
Mongolia
Netherlands
New Zealand
Nicaragua
Norway
Philippines
Poland
Portugal
Romania
Slovakia
Spain
Thailand
Ukraine
UK

Countries considering decision to provide forces for Iraq

11

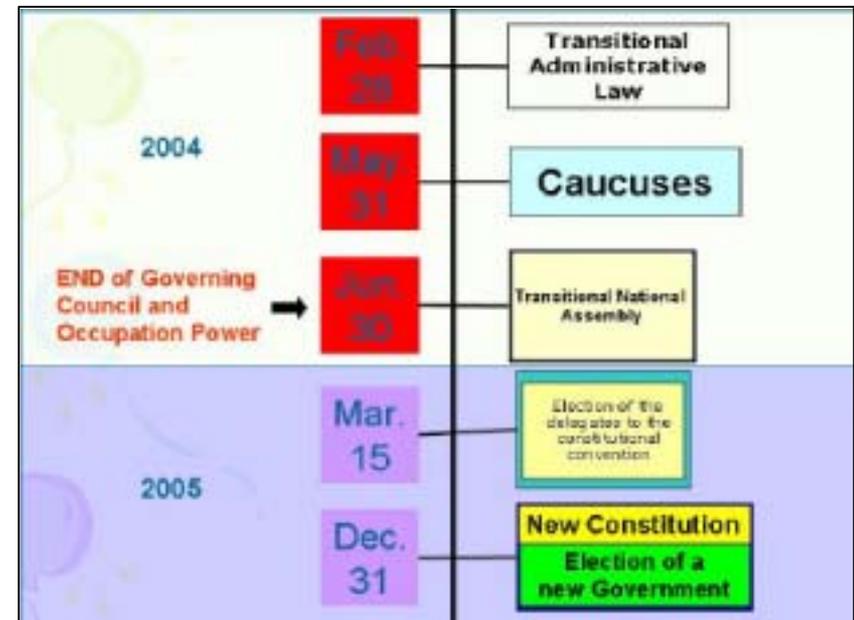
TOTAL TBD

44 Countries
Potentially Supporting
Iraqi
Stability and
Humanitarian Relief

Governance – National Transition

• MILESTONES

- 15 Nov: New agreement between CPA and GC on transition process
- 10 Dec: Tribunal established for crimes against humanity
- 28 Feb 04: Drafting and approval of “Fundamental Law” complete
- 31 Mar 04: Bilateral security agreements complete
- 31 May 04: Selections to Transitional National Assembly complete
- 01 Jul 04: Transitional Assembly will select executive and assume full sovereign powers for governing Iraq; CPA and GC dissolve
- 15 Mar 05: Complete elections to constitutional convention
- 31 Dec 05: Complete constitutional ratification and national elections
 - New government assumes power



Part of civic education campaign on Iraq's transition to democracy

Governance – International Recognition



United Nations

GC granted seats (Sep 03)
 Minister addressed UNHCR Executive Committee (Sep 03)
 GC president addressed General Assembly (Oct 03)
 UNSC invited GC to create timetable for new constitution (Oct 03)

International Diplomacy

Transportation talks with Jordan and Syria (Oct 03)
 Turkey's liaison office in Baghdad recognized as embassy (Oct 03)
 Rend Rahim appointed Ambassador to US (Nov 03)
 Syria offers to improve security (Dec 03)

International Organizations

Arab League: GC granted seats (Sep 03)
 Organization of Petroleum Exporting Countries: meetings attended; Minister of Oil recognized as head of Iraq's delegation (Sep 03)
 Organization of the Islamic Conference: Meeting attended by GC representatives (Oct 03)
 World Bank / International Monetary Fund: GC, Ministers and bank reps have discussed Iraq's future economic goals and needs (Dec 03)

GC: Governing Council

UNSC: United Nations Security Council

UNHCR: United Nations High Commission for Refugees

Governance – Progress Indicators



Local and Regional Councils:

- More than 1,000 people participated in selection of Buhrez neighborhood councils and District Council, which ended Dec 18 (Diyala' Governorate)
- Maysan Governorate will begin selection process for governor, police chief and public safety council on Dec 27
- District Council selections in Warka and Najmi (Al Muthanna' Governorate) are scheduled for Dec 22 and Jan 6

National:

- An Iraqi lawyer is preparing an evaluation of the legal status of Iraqi women; will examine former regime laws to provide background for education campaigns



Justice – Courts

- **Central Criminal Court of Iraq (CCCI)**
 - **Two cases involving RPG attacks against US forces referred to CCCI for investigation on 19 and 24 December**
 - **First case (Jul 15 attack) 4 of 5 attackers were killed, one surrendered; second case (Jul 3 attack) 7 of 8 attackers were killed, one surrendered. No US injuries from attacks. Both survivors are defendants in the referred CCCI cases**
 - **Two suspects in a pending CCCI case involving possession of a large weapons cache, including IED-related materials, and possible attacks on the Coalition were inadvertently released from Abu Ghraib. Efforts to recapture them are ongoing**
- **Chief Investigative Judge assassinated in Mosul on December 22**



Justice – Courts (continued)

Central Criminal Court of Iraq (CCCI)

- **Significant meeting held this week between CCCI investigative court and Baghdad Major Crime Unit**
 - **Court will place several investigator's in the Major Crime Unit and Major Crime Unit will place several unit members in the investigative court**
 - **Arrangement will enhance case investigation capability**
 - **Appeal of ship confiscation cases referred to CCCI trial court for review**



Economics - Financial Market Structures

- **01 Dec: A check clearing agreement between state-owned banks and private banks went into effect**
 - Previously, state-owned banks did not honor checks drawn on other banks
- **04 Dec: Trade Bank of Iraq (TBI) officially became fully operational by asking the multi-international banking consortium led by JP Morgan Chase to issue letters of credit**
 - TBI has received around 23 applications totaling \$23 million from the Health Ministry and two applications from Ministry of Electricity for \$52 million
 - In addition, TBI has issued letters of credit to secure payments of approximately \$50 million of imported wheat
- **Central Bank Law is being reviewed and finalized by the Economic Committee of the Iraqi Governing Council**
 - Review is expected to be finalized over the course of the next two weeks

Economics – Currency & Banking

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- **Central Bank of Iraq (CBI) using Request for Applications (RFA) for Foreign Banking Licenses process to accelerate modernization of the banking sector**
 - **Will allow limited number of foreign banks to operate in Iraq**
 - **Major step in strengthening the foundation to support a modern, sound banking sector**
 - **Due to debt restructuring effort, dates for certain RFA events have been extended**
- **Currency exchange is proceeding well**
 - **New Iraqi Dinar (NID) has appreciated by 14% since November, settling at \$1 = NID 1,675**
 - **Approximately 3.7 trillion new dinars have been exchanged**
 - **About 85% of 4.36 trillion dinars expected to be converted, with a little less than a month to go**
 - **5.6 trillion (88%) NIDs have been delivered to Iraq**
 - **5 trillion delivered to banks**
 - **2,256 tons of old currency--nearly a quarter of the 9,000 tons that exist--have been destroyed**

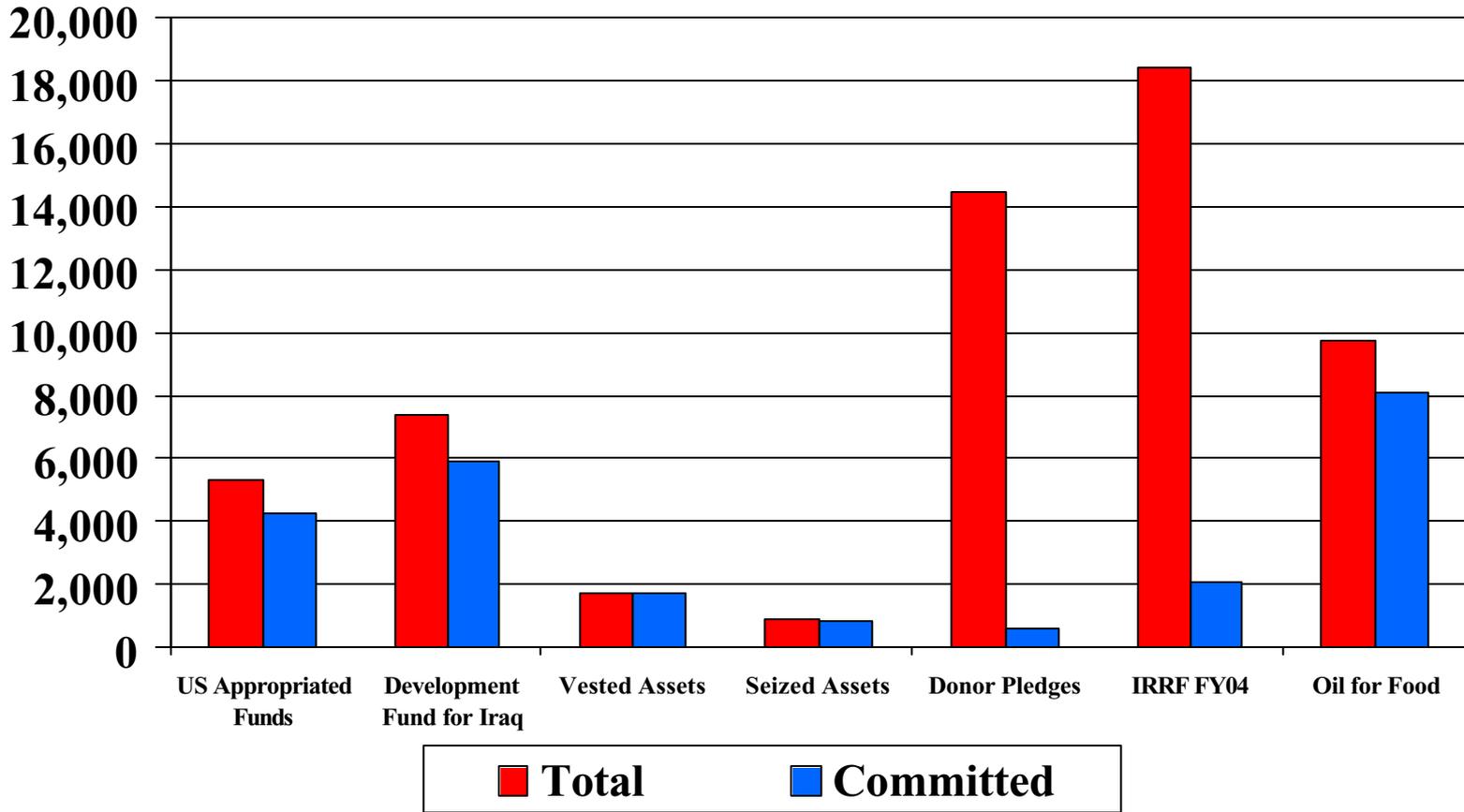
Economics – Other Developments

- **21 Nov: CPA assumed full control of the Oil For Food Program; transition went smoothly**
- **CPA will continue prioritization process for approved and funded contracts**
 - **CPA will determine basis of needs with Iraqi authorities**
- **The IFC Board met Dec 18 to discuss approval of the Small Business Facility (SBF)**
 - **The SBF received approval, with US and Spain indicating firm contributions of \$10 million and \$5 million respectively**
 - **Other countries such as Japan, Denmark and France have also expressed interest in investing in the facility**



Iraq Funds Status (\$ Millions)

Total Available: \$58,036
Total Committed: \$23,573



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Strategic Communication

- **Al-Iraqiyah (formerly Iraqi Media Network)**
 - Award of \$100M contract to run national Iraqi newspaper and television delayed until after Jan 04
 - Delay related to accelerated timetable for transferring political power, and legal issues
- **New Information Operation (IO) campaign will remind Iraqi citizens they are required to exchange old money by Jan 15 and that deadline will not be extended**
 - Additional IO campaign element targeted primarily in Kurdish area will clarify exchange policy on exchange of the Swiss 25 dinar note
- **Dec Polling: Seven-city survey of urban Iraqis shows that local television (62%) is the most frequently relied-upon medium for acquiring information and news about Iraq**
 - About one-fifth (26%) rely on foreign television for news about their country

